

REMARKS

Applicant has amended claims 1-5, 7, 9-14, 16, and 18 and has added new claims 28-36. The Office has asserted that, "Applicant's arguments with respect to claims 19-27 have been considered but are moot in view of the new ground(s) of rejection." However, the prior Office Action only addressed claims 1, 3, and 7. Accordingly, Applicant's prior response only addressed those claims and no arguments with respect to claims 19-27 were made or form part of the prosecution history for this patent application. In view of the above amendments and the following remarks, reconsideration of the outstanding office action is respectfully requested.

The Office has rejected claims 1-18 under 35 U.S.C. 101 asserting that the claimed method consists solely of the manipulation of an abstract idea and is not concrete or tangible. See *In re Warmerdam*, 33 F.3d 1354, 1360, 31 USPQ2d 1754, 1759 (Fed. Cir. 1994). See also *Schrader*, 22 F.3d at 295, 30 USPQ2d at 1459. Additionally, the Office has asserted that the claim is devoid of any limitation to a practical application in the technological arts and that the invention in the body of the claim must recite technology.

Applicant respectfully traverses the Office's rejection because the claims are clearly limited to a practical result. A claim is limited to a practical application when the method, as claimed, produces a concrete, tangible and useful result; i.e., the method recites a step or act of producing something that is concrete, tangible and useful. See, *AT&T Corp. v. Excel Communications, Inc.*, 172 F.3d 1352, 1358, 50 USPQ2d 1447, 1452 (Fed. Cir. 1999). Claim 1 has the very practical result of providing a created investment vehicle, more specifically a specifically created class of loan securities which satisfies at least one criteria, which clearly is a concrete, tangible, and useful. Similarly, the other rejected claims also produce concrete, tangible and useful results, such as: providing a determination on whether to proceed with creating the class of loan securities based on modeling as recited in claims 2 and 11; making an offer to buy the selected loans and purchasing the selected loans where the offer was accepted as recited in claims 4 and 13; analyzing at least one quality of the class of loan securities with the selected loans and setting a price for units of the class of loan securities based on the analysis as recited in claims 7 and 16; and selling the units of the class of loan securities at the set price as recited in claims 9 and 18. Additionally, claims 1-18 clearly recite technology in the body of each of the claims 1-18, such as the computing device and database. Accordingly, in view of the foregoing amendments and remarks, the Office is respectfully requested to reconsider and withdraw the rejection of claims 1-18.

The Office has rejected claims 19-27 under 35 U.S.C. 102(b) as being anticipated by Atkins (US 5911136). The Office asserts that Atkins in the abstract and FIGS. 2-8c discloses a computer readable medium having stored thereon instructions for determining if a characteristic for each of a plurality of loans satisfies at least one criteria; selecting the loans that satisfy and creating the class of loan securities using the selected loans.

Atkins does not disclose or suggest, “determining if a characteristic for each of a plurality of loans satisfies at least one criteria . . . selecting each of the plurality of loans that satisfy the criteria . . . creating the class of loan securities using the selected loans” as recited in claim 19. Contrary to the Office’s assertions, Atkins has nothing to do with the creation of any type of class of security, let alone a class of loan securities. Instead, as set forth in the abstract, Atkins is directed to a method that uses funds normally used to amortize a loan for investments to increase the net worth of the individual. This method in Atkins is described in a detailed example at col. 4, line 33 to col. 6, line 61 in Atkins which includes tables 1-3. As illustrated by tables 1-3 in this example in Atkins, the net worth of an individual is increased with the method of Atkins. However, this method in Atkins has nothing to do with the present invention which instead is directed to method and system for the creation of a class of loan securities, not the use of amortization funds for other investments. Nowhere does Atkins disclose or suggest any determination if a characteristic in a plurality of loans satisfies at least one criteria. Additionally, nowhere does Atkins disclose or suggest selecting each of the loans that satisfy the criteria. Further, nowhere does Atkins disclose or suggest the creation of a loan security anywhere. The Office is respectfully requested to identify the specific column and line numbers in Atkins where the steps of the invention are taught or suggested.

As disclosed on page 2, line 23, to page 3, line 5, in the above-identified patent application:

With the present invention, made to order asset backed class of securities can be identified from multiple portfolios and be put together in an automated process which operates in near real-time. As a result, loans from all types of lenders can be quickly examined to identify appropriate loans which satisfy preset criteria and then selected for a particular class of security as requested by a securities dealer.

For example, loan data can be collected from sources, such as automobile dealers’ lenders who have financed automobiles. Meanwhile, a securities dealer selects criteria for a class or pool of securities he would like to offer. The criteria is used to select, as they become available in near real-time, specific loans that will

make up the given class or pool desired. During this process, portfolio analyses tools can be incorporated to ensure risk assessment and credit quality. Additionally, structured finance monitoring technology can be incorporated that provides the purchasers of the classes of securities a near real-time look at performance data.

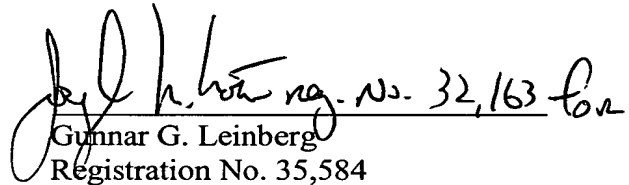
Accordingly, in view of the foregoing remarks, the Office is respectfully requested to reconsider and withdraw the rejection of claim 19. Since claims 20-27 depend from and contain the limitations of claim 19, they are distinguishable over the cited references and patentable in the same manner as claim 19.

Applicants have also added new claims 28-36 which are believed to be distinguishable over the cited prior art and in condition for allowance. Accordingly a notice to this effect is respectfully requested.

In view of all of the foregoing, applicant submits that this case is in condition for allowance and such allowance is earnestly solicited.

Respectfully submitted,

Date: September 23, 2005


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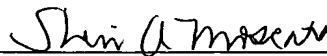
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